

## BILL SUMMARY

MEASURE: HB 3358 (Subcommittee Recommendation)

AUTHOR: Rep. Terrill

SUBJECT: Franchise Tax, Individual Income Tax Rates

### PROVISIONS:

Section 1: Increases the exemption from franchise tax, for those businesses whose liability is \$250 or less, to \$500 or less.

Section 2: Amends existing statutes to reflect provisions of section 3 of this bill.

Section 3: Provides an exemption from sales tax on sales of school supplies, \$75.00 or less, during the sales tax holiday. This section also provides a definition for school supplies.

Section 4: Amends existing statutes to reflect provisions of section 3 of this bill.

Section 5: Amends existing statutes to reflect provisions of section 3 of this bill.

Section 6: Amends existing statutes to reflect provisions of section 3 of this bill.

Sections 7 and 8: Lowers the top income-tax rate to 4.95 percent effective the first tax year after the 5.25 percent tax rate becomes effective and modifies the “trigger”.

Section 9: Provides an Effective Date

Section 10: Declares an Emergency

### EFFECTIVE

DATE: July 1, 2008

PREPARED BY: Jonathan Small II, Research Analyst

DATE: 3-4-08